



# Multipurpose Cultural and Performing Arts Center (Arena) Project Overview

**Strategic Goal 1:** Create an Environment Conducive to Strong, Sustainable Economic Development

1.1 – Stabilize & Expand El Paso's tax base

City of El Paso Economic and International Development Department

*"Delivering Outstanding Services"*



# Introduction

- Since 2000, El Paso has studied and recommended a downtown arena project as a catalyst to economic development, an improvement to quality of place, and a means to attract quality events and entertainment.
- Various studies, throughout different administrations have concluded a downtown location south of the convention center as the overall best location
- The location recommended by HKS in 2015 and approved unanimously by City Council in October 2016 is generally the same as those identified in previous studies completed in 2001 and 2006.



# Location

1. The most successful arenas are in **dense, walkable urban cores** with **unrestrictive zoning** and they **connect investments**.

An arena district needs to *begin* in a dense mixed use environment, whereas an isolated location puts the building at risk of underutilization.



## *Example of successful downtown location:*

- Sprint Center, in the Power and Light District of Kansas City: 7 square blocks of mixed use.
- Rogers Place, Edmonton Canada



# Location

2. Downtown has ideal ***parking and circulation*** for the use as well as being the most ideal location to provide ***high visibility and approach*** for an important civic use.
3. Successful arenas are signature community projects and best placed at sites that have **symbolic importance**, even for those unacquainted with a city.

2:



**3:** Successful location: Mile One Centre is located at the first mile marker of the Trans-Canadian Highway.

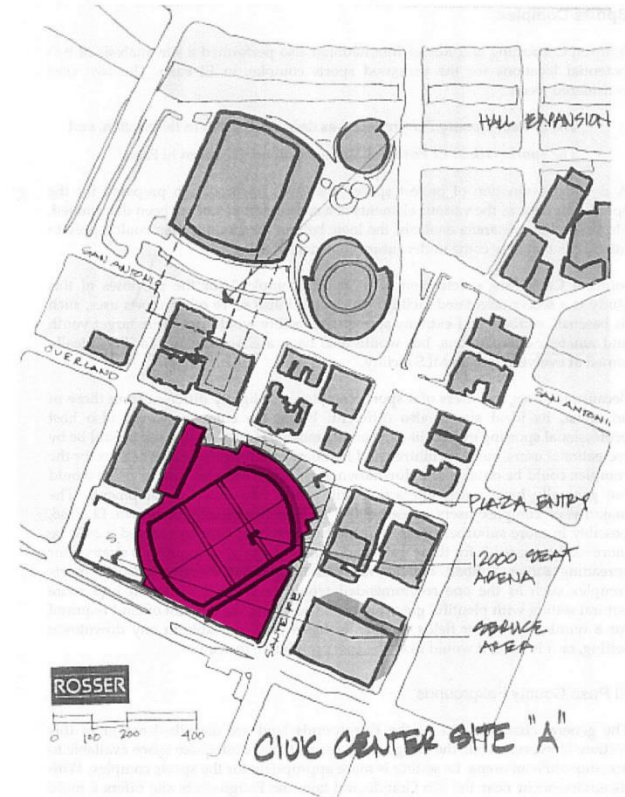




# Arena Development History

- 2001 – CH Johnson is retained to study arena feasibility and location
- The study considers the Airport, Downtown, Cohen Stadium, and County Fairgrounds
- The study concludes a 12,000 seat facility should be built downtown – “...this location is expected to provide the greatest benefit to the community, as its proximity to other developments and improvements, the border, the El Paso population base and the possibly the convention center will all help improve the performance of the arena...”
- The location recommended is the same as the recommended location in the 2015 HKS study and approved by City Council in October 2016

Figure 6-3





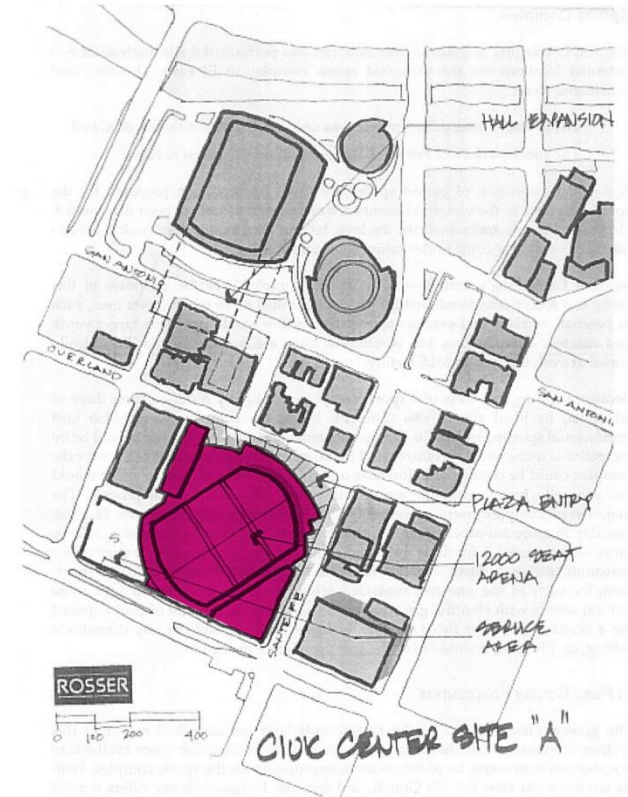


# Arena Development History

Figure 6-3

## Mayor and Representatives - 2001

Carlos M. Ramirez	Mayor
Jan Sumrall	District 1 (West)
Rose Rodriguez	District 2 (West Central)
Larry Medina	District 3 (East Central)
John Cook	District 4 (Northeast)
Presi Ortega, Jr.	District 5 (East)
Paul Joseph Escobar	District 6 (East-Lower Valley)
Luis Sariñana	District 7 (Lower Valley)
Elvia G. Hernandez	District 8 (South-West)





# Arena Development History

- 2006 – Paso del Norte Group (PDNG) and City of El Paso develop 2015 Downtown Plan
- The study identifies a downtown arena as a catalyst project and considers three downtown areas for a future arena.
- Site B is ranked as the most favorable overall
- This is the same site area that was recommended by the 2015 HKS study and approved by City Council in October 2016





# Arena Development History

## Mayor and Representatives - 2006

John F. Cook	Mayor
Ann Morgan Lilly	District 1 (West)
Susie Byrd	District 2 (West Central)
Jose Alexandro Lozano	District 3 (East Central)
Melina Castro	District 4 (Northeast)
Presi Ortega, Jr.	District 5 (East)
Eddie Holguin, Jr.	District 6 (East-Lower Valley)
Steve Ortega	District 7 (Lower Valley)
Beto O'Rourke	District 8 (South-West)







# Arena Development History

## HKS Scope of Work

- 2012 – Voters approve \$180M for a downtown Multipurpose Cultural and Performing Arts Center (MPCPAC)
- December 2013 – HKS Urban Design Studio is retained for Urban Planning related to MPCPAC, Hispanic Cultural Center, and Children’s Museum
- Identify site options for MPCPAC, Hispanic Cultural Center, and Children’s Museum in downtown El Paso
- Perform market analysis
- Lead a transparent public process with community and stakeholder engagement
- Leverage city investment to spur private investment and economic growth



# Arena Development History

## HKS Urban Planning Timeline

- February 4, 2014 - Planning Kick Off Event
- March 26, 2014 - Bilingual Public Outreach Workshop
- April 30, 2014 - Bilingual Public Outreach Workshop
- May 21, 2014 - Bilingual Public Outreach Workshop
- June 24, 2014 - Community Project Briefing
- June 25, 2014 - Community Project Briefing
- July 30, 2014 - Community Project Briefing
- July 31, 2014 - Community Project Briefing
- January 6, 2015 - Bilingual Public Outreach Workshop
- January 7, 2015 - Presentation of Plan to City Council



# Arena Development History

## Summary of Public Feedback from HKS Report

WHAT IS YOUR VISION FOR...?



This graphic represents a summary of the comments received during the public workshop and stakeholder meetings.



# Arena Development History

- HKS considers 4 downtown site options for the arena







# Arena Development History

- HKS Ranks the 'Cultural District' site location, south of the convention center, highest in scoring matrix – 'by far the most valuable as an ingredient of a vibrant Cultural/Entertainment District

## Assessment Criteria

		1. Civic	2. Jacinto	3. Shopping	4. Cultural
Chance to make a special place in the city	• Value of the Land (cost v return)		+	-	
	• Required Street Closings	-	-		+
	• Build on Assets	-		+	+
	• Create a District	-			+
	• Build on other Investments	-		+	+
	• Work with other venues/activities			+	+
Recognizable and convenient access.	• Visibility from approaches to City	+	+		-
	• Accessibility by Public Transport		+	+	+
	• Served by Trolley	-	+		+
	• Highway Access		+	+	+
	• Available Parking	+	+		+
TOTAL		-4	+5	+4	+8

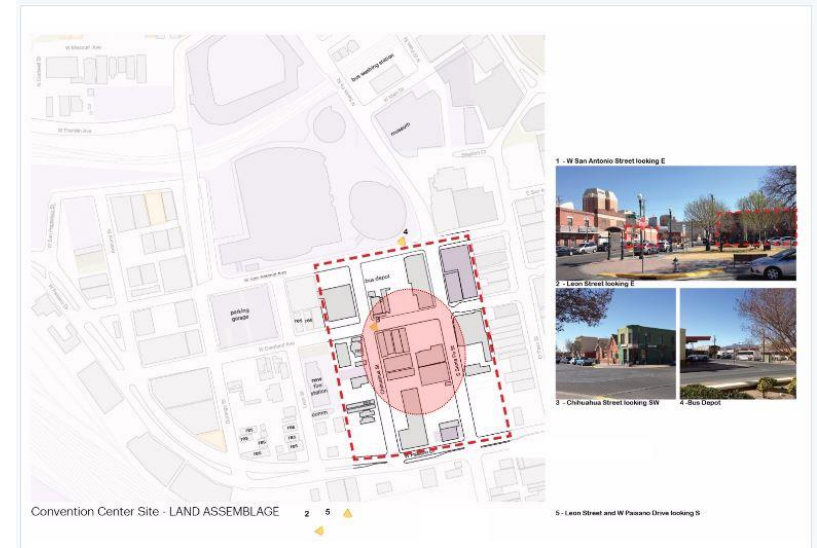
**4. Culture: By far most valuable as an ingredient of a vibrant Cultural/Entertainment District.**

Draft



# Arena Development History

- October 2016 – City Council authorizes acquisition team to begin outreach to property owners





# Arena Development History

How does the arena relate to hotel development?

Why is the city focused on the 1000 foot perimeter around the convention center?



# Eligible Uses

TEXAS TAX CODE §351.012(b)

- An Eligible City may pledge certain revenue derived from a Hotel Project located within 1,000 feet of a Convention Center Facility for the payment of bonds or other obligations incurred to acquire, lease, construct and equip the Hotel and any facilities ancillary to the Hotel, including:
  - Entertainment Related Facilities
  - Meeting spaces
  - Restaurants
  - Shops
  - Streets and water / sewer infrastructure necessary for the operation of the Hotel or Ancillary Facilities, and
  - Parking Facilities

**All within 1,000  
feet of the  
Convention  
Center**





# Law that allows use of State Tax Rebates

House Bill 1964

- ✓ Added El Paso as an “Eligible City”
- ✓ Provided a New Economic Development Tool
  - ✓ To revitalize Downtown El Paso
  - ✓ To attract visitors and increase the number of conventions, events, and conferences in El Paso
  - ✓ To boost the City’s Economy

[Council was initially briefed on this subject in October 27, 2015]



*“Delivering Outstanding Services”*



# State Tax Rebates

## Basic Requirements & Process

- Eligible City
- Hotel Project located within 1,000 feet of Convention Center Property Line
- Hotel land and/or Hotel must be owned by City
- Incentive Agreement outlines the terms and criteria
- State rebates are available after hotel is open for occupancy for 10 years
- Developer and City cooperate during interactions with State Comptroller

**\*Pending approval of Texas State Comptroller**

***(City must demonstrate that Project/Facility enhances convention center efforts and opportunities)***



# Available State & City Rebates

- Up to 10 year -- State Hotel Occupancy Tax Rebate (6%)
- Up to 10 year -- State Sales Tax Rebate (6.25%)
- Local Hotel Occupancy Tax (Eligible to rebate 3.5% of 7%)
- Ad Valorem Tax (1% of taxable sales revenue)
- State tax revenues within a 1,000 ft. of project

**\*Pending approval of Texas State Comptroller**

*(City must demonstrate that Project/Facility enhances convention center efforts and opportunities)*



# State Rebates for Projects that ‘Support’ Convention Center

## Arena as an Ancillary Facility

The MPCPAC / Arena may be part of the Hotel/Convention Center amenities defined as **Ancillary Facilities**.

- Ancillary Facilities are designed to support and increase business opportunities for the Convention Center and Convention Center Hotels
- City must demonstrate how MPC enhances the Convention Center efforts and opportunities

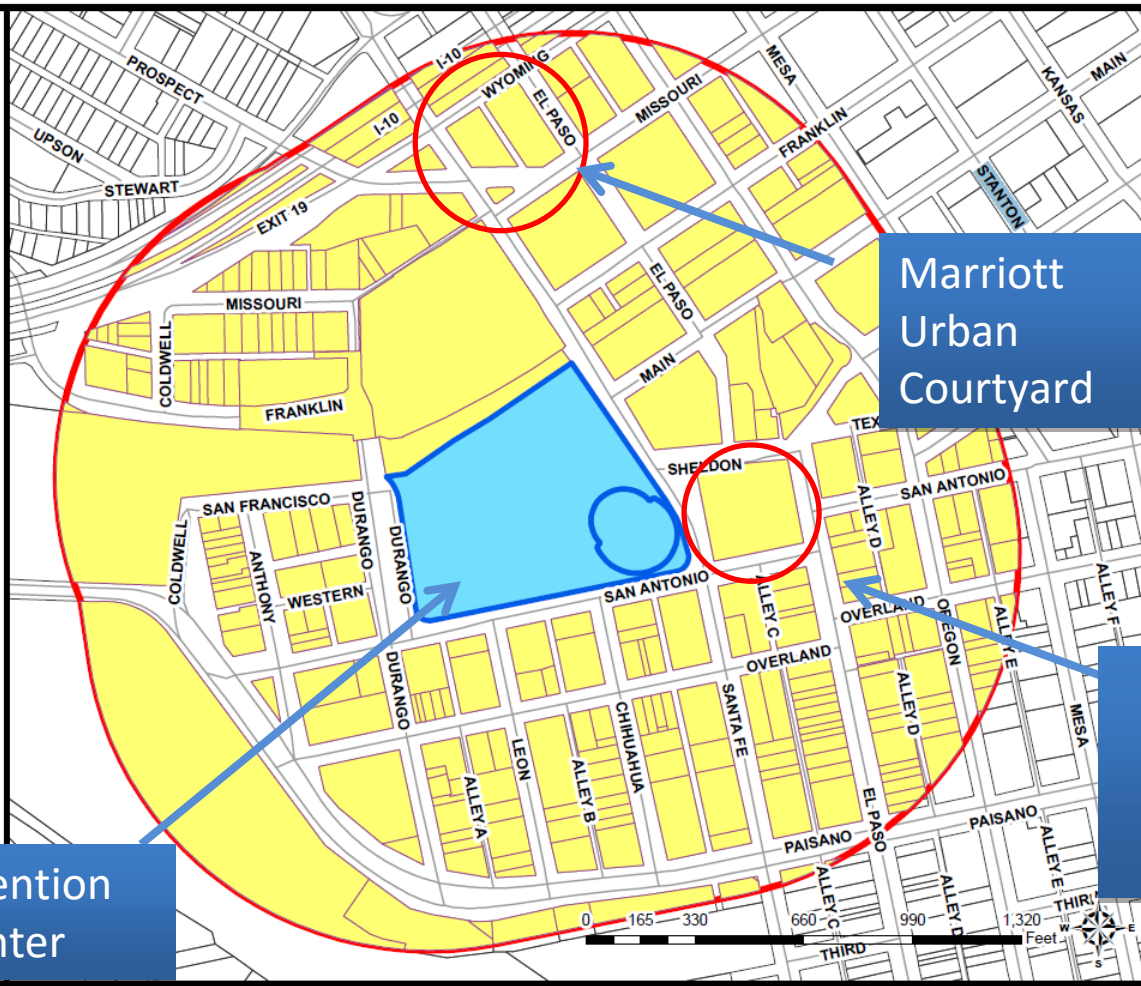
The “capture area” for the Convention Center Hotel incentives comes from the businesses within the 1000 foot perimeter of the convention center. If the arena is built and operating within the 1000 foot perimeter of the convention center, state sales and mixed beverage tax revenues can be captured by the city and used to enhance facilities.





## 1000' Distance of Convention Center Property Line

Convention  
Center



Marriott  
Urban  
Courtyard

Camino Real  
Hotel  
Convention  
Center Hotel



# Marriott Courtyard Project

- Property was previously State of Texas owned land, yielding \$0 in property tax revenue for the City and other local taxing entities
- City will rebate first 12 years of city property tax totaling \$828,500
- Using State Rebate Program 351.012 (b), State Hotel Tax and State Sales Tax will be rebated for the first 10 years, estimated at \$3.55M
- The City will not rebate City Hotel Tax, City Venue Tax or City Sales Tax which will generate an estimated \$4.87M for the city in the first 10 years

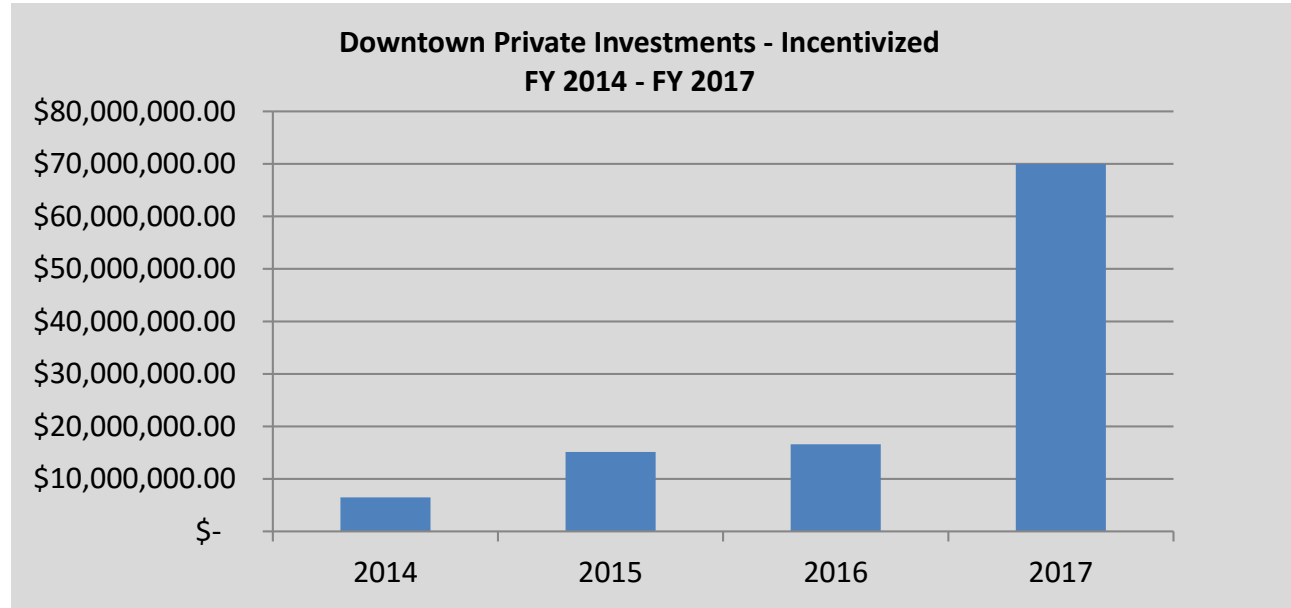


# Downtown Development



## Downtown Private Investments - Incentivized

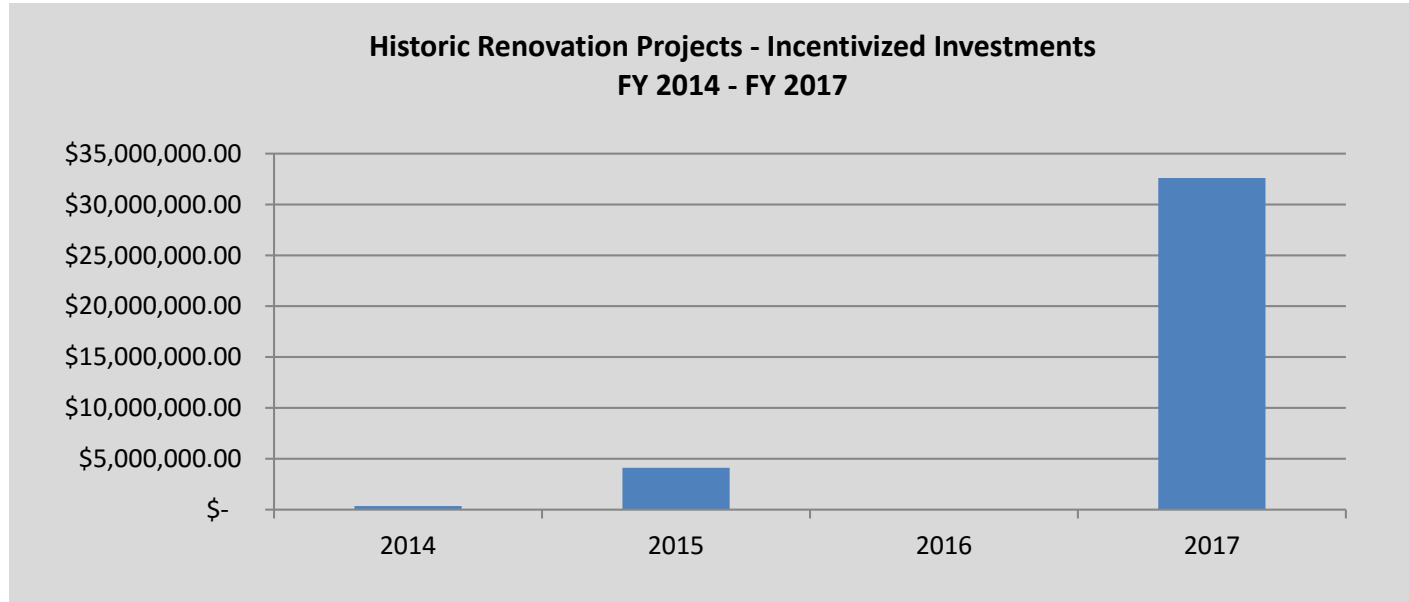
Total Value: \$108,223,150





# Downtown Historic Renovation Investments Incentivized

Total Value: \$78,941,000

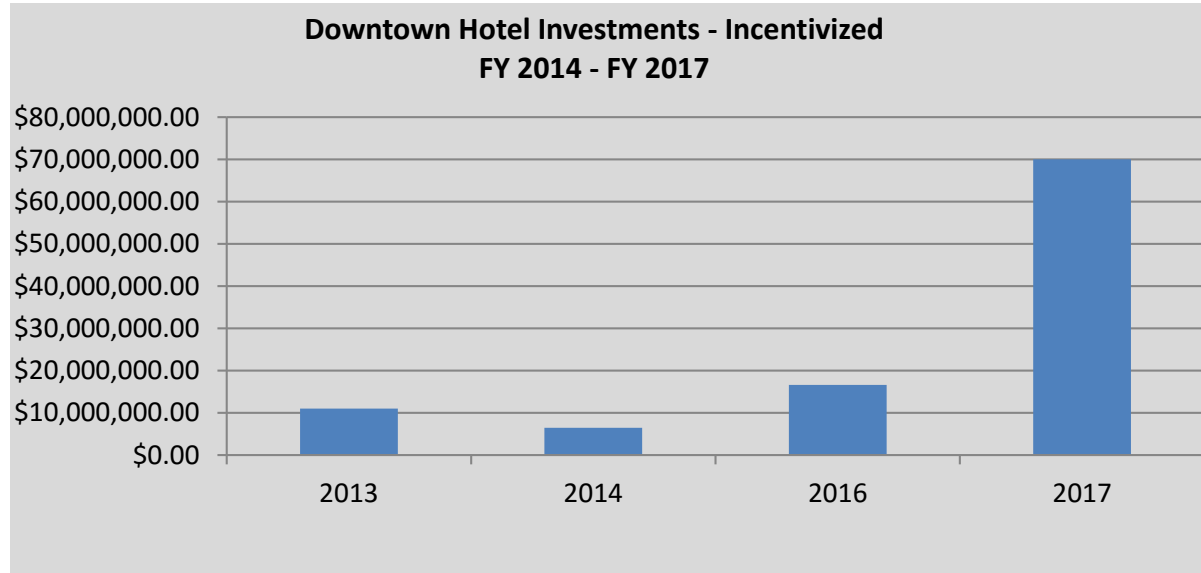






# Downtown Hotel Investments - Incentivized

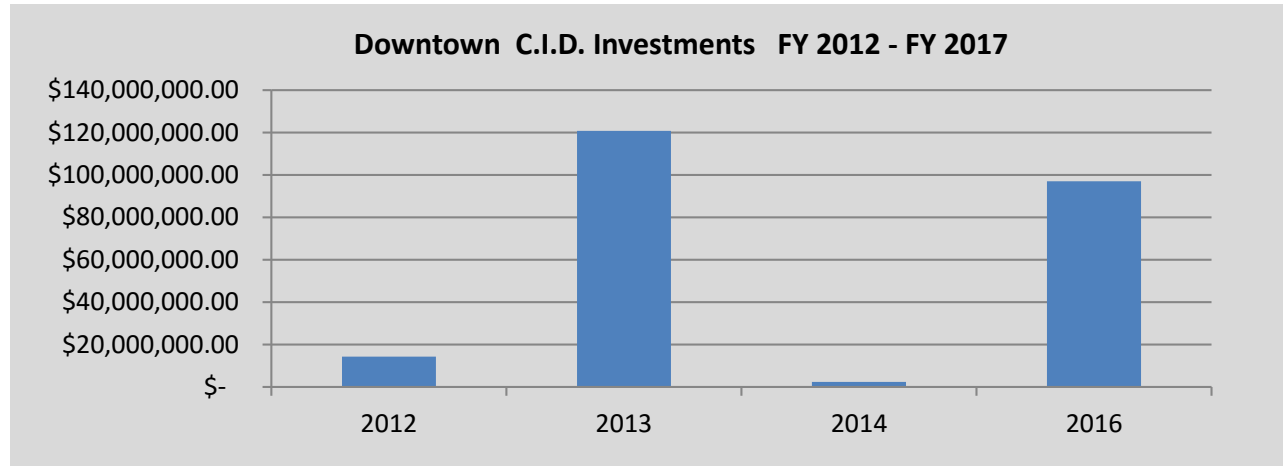
Total Value: \$104,025,246





## Capital Improvement Projects - Downtown

Total Value: \$234,455,159





# Summary of Related City Council Action and Briefings

- **Hotel Sancho Plaza**
  - 380 Agreement to allow Hotel to apply for Texas Convention Center HOT Rebate Program
  - January 26, 2016, March 22, 2016, September 20, 2016
- **Camino Real Redevelopment & Marriott Courtyard Hotel**
  - Project and Finance Plan to allow Hotels to apply for Texas Convention Center HOT Rebate Program
  - August 4, 2016, August 23, 2016, September 6, 2016
- **MPC Site Acquisition**
  - Within 1,000 feet of Convention Center to support funding under Chapter 351, Texas Tax Code
  - November 15, 2016
- **Legislative Update: Results of the 84<sup>th</sup> Session**
  - Overview of Rebate Legislation and inclusion of El Paso as an Eligible city
  - July 1, 2015
- **Briefing on Texas Tax Code, §351.102**
  - October 27, 2015



# QUESTIONS